

Response to Comments
Proposition 84 Delta, San Joaquin River, and Sacramento River
Water Quality Draft Grant Program Guidelines

1. *(Rick Soehren, DWR, Office of Water Use Efficiency and Transfers) SEC. 2. Section 10631.5 of the Water Code is amended to read: 10631.5. (a) (1) Beginning January 1, 2009, the terms of, and eligibility for, a water management grant or loan made to an urban water supplier and awarded or administered by the department, state board, or California Bay-Delta Authority or its successor agency shall be conditioned on the implementation of the water demand management measures described in Section 10631, as determined by the department pursuant to subdivision (b). Have you, or our chief counsel's office, made a determination as to whether the grants you issue would be "water management grants" according to the law?*

Response: Upon review of the section 10631.5 and the legislative intent behind it, DWR has determined that this grant program would be subject to the Act. The guidelines have been modified in Section IV.F Compliance with Section 10631.5 of the Water Code.

2. *(Leslie Laudon, SWRCB) The purpose of the program is to "implement Delta water quality improvement projects that protect drinking water supplies." The Guidelines do not focus on water quality. In fact, water quality is the second in the list of Program Preferences after Improvement of Water Supply Reliability. The Guidelines should clearly state that the purpose of the program is water quality improvement. The selection criteria that will be developed for the PSP should reflect this program purpose. Water Boards staff can assist the Department in developing appropriate evaluation criteria for water quality improvement.*

Response: The Guidelines were written to give flexibility in managing this program, considering that the subsections in PRC § 75029 vary greatly. The PSP's will give more detail on specific criteria that will be met for each subsection. Protection of water quality and the environment has been re-ordered to the first criterion in the list under Section II. E. Program Preferences.

3. *(Pam Buford, CVWRQCB) The purpose of the program is to "implement Delta water quality improvement projects that protect drinking water supplies." The Guidelines do not focus on water quality. The Guidelines should clearly state that the purpose of the program is water quality improvement. The selection criteria that will be developed for the Proposal Solicitation Package (PSP) should reflect this program purpose. Regional Water Board staff can assist the Department in developing appropriate evaluation criteria for water quality improvement that will take into consideration TMDL implementation plans and water quality objectives contained in the Water Quality Control Plan for the Sacramento River and San Joaquin River Basins (Basin Plan).*

Response: DWR welcomes the assistance of the Regional Water Quality Control Boards and the State Water Resources Control Board in the development of the PSPs. The

CVRWQCB and the SWRCB will be given the opportunity to comment and participate during the development of the PSPs. See response to Comment No. 2.

4. *(Leslie Laudon, SWRCB) The guidelines are very general. The Proposal Solicitation Package (PSP) will contain detail on the review criteria and selection process. The State Water Resources Control Board and affected Regional Water Quality Control Boards staffs should be consulted during the development of the PSP. The Water Boards have administered a number of similar solicitations in the past, and would like to share what has worked well and what hasn't so that the program can be implemented most effectively.*

Response: See response for Comment No. 3.

5. *(Pam Buford, CVWRQCB) A regional monitoring network would be an extremely useful tool to assess whether the Regional Water Boards efforts to protect and improve water quality are actually working. Public Resources Code (PRC) Division 43, section 75072 allows up to ten percent of funds allocated for each program funded by the division to finance planning and monitoring necessary for successful design, selection, and implementation of the projects authorized under that program. We request that proposals to construct such a monitoring network be considered eligible, assuming the proposal can demonstrate that the network is consistent with the informational needs of the Central Valley Region and Delta and the implementation plans within the Basin Plan and/or the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (Delta Plan).*

Response: PRC § 75072 states that “Up to 10 percent of funds allocated for each program funded by this division may be used to finance planning and monitoring necessary for the successful design, selection, and implementation of the projects authorized under that program.” Based on the criteria of ‘necessary for the design, selection, and implementation of the projects authorized’, a monitoring program alone can not be funded under this program. In addition, if monitoring projects alone were funded, the available funds for monitoring may be allocated before all projects are funded. This could possibly result in projects having no monitoring funds available in later years of the program.

6. *(Pam Buford, CVWRQCB) Proponents of salinity projects should be required to participate in the development of the Central Valley Salinity Alternatives for Long-Term Sustainability (CV-SALTS) that will be used to update the Basin Plans and Delta Plan for the Central Valley Region.*

Response: The program guidelines include a criterion under C. Programmatic Adequacy for Integration of Water Management Strategies. Projects which include reduction or elimination of salinity discharges will receive credit for participation in the CV-SALTS program under this criterion.

7. *(Unknown) Will there be consideration of an outreach component in grant funding?*

Response: Public outreach is considered to be an important aspect of all projects. Funding for outreach will be considered as a component of planning but subject to the limitations of PRC § 75072.

8. *(Eddie Hard, CA Dept of Food & Agriculture) Will DWR file final project documents so the public can see how the money has been spent?*

Response: Section A.2 of Appendix A of the guidelines requires a post-implementation report upon completion of a project. Fund expenditure information will also be documented in accordance with bond accountability requirements and posted at <http://bondaccountability.resources.ca.gov>.

9. *(Gail Cismowski, CVRWQCB) The CVRWQCB would like to see monitoring projects funded, ones that show benefit over a large area.*

Response: Same response as Comment No. 5.

10. *(Nigel Quinn, US Bureau of Reclamation) Although the draft guidelines have been written by DWR to be somewhat generic in order not to exclude potential applicants - still it might be useful to prepare an addendum that provides some guidance for applicants that are contemplating a monitoring program. Given the current move towards real-time water quality management within the agencies - perhaps some push for continuous, telemetered monitoring. Perhaps also encouragement for dissemination of the data gathered - particularly on the web. The best time to influence the way the data collected and the way it is disseminated and archived is at the beginning of a project or program. It can save an enormous amount of time at the end.*

Response: Monitoring requirements will be detailed in the PSPs and tailored to the criteria of each group. Water quality monitoring to demonstrate project effectiveness shall be an important component for all funded projects. Monitoring methods and data reporting shall at a minimum satisfy the requirements of the Surface Water Ambient Monitoring Program (SWAMP) as administered by the California State Water Resources Control Board. All data shall be integrated into SWAMP in accordance with the requirements of PRC § 75072.

11. *(Chris Linneman, Summers Engineering) Recent grant programs have increased the amount of documentation required for project monitoring and data, and these requirements have been applied with a "one size fits all approach". There is an obvious need to evaluate a project at its completion; however, not all projects are the same and some monitoring and data quality control requirements can become overly burdensome and unnecessarily consume resources. We request that those requirements be implemented with discretion so that they can be adjusted to project-specific conditions. At a minimum, there should be a simplified QAPP, Project Assessment and Evaluation*

Plan, and monitoring plan templates that can be completed quickly for projects that do not require significant monitoring.

Response: See response to Comment No. 10.

12. *(Sam Harader, CALFED) You should probably put the formal title of the bond legislation on the cover, “the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006”*

Response: The formal title of the authorizing Proposition 84 bond legislation was added to the guideline cover page.

13. *(M. Madison, COSMUD & W. Bishop, CCWD) Section 75070.5 states that “Not more than 5% of the funds allocated to any program in this division may be used to pay the costs incurred in the administration of that program.”*

Response: The program administration costs will not exceed the 5 percent limitation. An additional approximate 3.5 percent of the bond fund is withheld by the State of California Department of Finance to fund bond issuance costs.

14. *(M. Madison, COSMUD & W. Bishop, CCWD) The Department of Finance letter dated April 1, 2008 (attached) requested \$50,950,000 to be budgeted for grants to implement the Delta water quality improvement projects that protect drinking water supplies and states that, “DWR anticipates funding alternative water intake projects for the Contra Costa Water District and the City of Stockton.” We request that this amount less 5% administrative costs be made available for the Group I – Delta Region Project (\$48,402,500).*

Response: DWR has determined the funding amount shall stay as written in the draft guidelines. The funded amounts were determined after consideration of the interests in each of the different groups to maintain an equitable distribution among the parties. If legislation is passed subsequent to the adoption of these guidelines, DWR will change the funded amounts in accordance with the legislation.

15. *(Sam Harader, CALFED) After reading through the guidelines and Prop 84, it wasn’t at all clear to me how the funding split for the eligible project types was arrived at. Prop 84 earmarks \$40 M for the west side drainage but does not designate how much should be directed towards the other listed purposes. How did DWR arrive at the proposed amounts? How much is the estimated full cost of the Franks Tract and Delta Region projects?*

Response: The proposed amounts were selected based on DWR’s knowledge of potential projects as well as the intention to distribute the funds among multiple eligible projects. Estimated project cost information for Franks Tract and for the Delta Region projects can be found online at <http://baydeltaoffice.water.ca.gov/ndelta/frankstract/> and <http://www.ccwater.com/publications/index.asp?sec=drwqmp>, respectively.

16. *(Leslie Laudon, SWRCB) The \$36.6 million designated for funding west side San Joaquin project is consistent with the Bond language (Section 75029) but the other amounts (\$10.6 million to San Joaquin, \$10.6 million to Sacramento River, \$20 million to Franks Tract, and \$41.2 million to the June 2005 Delta Plan projects) are offered with no reasoning as to why it would be divided this way. What criteria were used to determine the relative amounts dedicated to other project types? An explanation of this division of funds is needed in the Guidelines.*

Response: See response to Comment No. 15.

17. *(Pam Buford, CVWRQCB) Sacramento River basin generally has sufficient dilution flows to control salinity but exported salts can impact other basins. If technically feasible Sacramento River Basin projects that can demonstrate measurable salinity improvements in the Delta or San Joaquin River should be considered for funding.*

Response: The guidelines were changed in Section II. Introduction and Overview to reflect the original language from PRC § 75029. All proposed projects, including projects that reduce or eliminate discharges of salt from the Sacramento River, will be evaluated based on the projected local and regional benefit(s) that could be achieved.

18. *(Pam Buford, CVWRQCB) (West side of the San Joaquin Valley) Provide clarification whether this source of funding applies to both subsurface and surface drainage to the San Joaquin River.*

Response: The \$36.6 million dollars in funding for the west side of the San Joaquin Valley applies only to subsurface agricultural drainage. However, the \$10.6 million available for San Joaquin River projects that reduce salt, dissolved organic carbon, bromides, pesticides, and pathogens, applies to surface water as well.

19. *(Chris Linneman, Summers Engineering) Can surface as well as subsurface drainage on the west side of the San Joaquin Valley be included for funding in the \$36.6 million?*

Response: Since PRC § 75029 (a) specifically calls out subsurface agricultural drain water, the grant funding must be spent only for subsurface drainage. All of the \$36.6 million will go towards subsurface agricultural drainage projects.

20. *(Ken Coulter, SWRCB) Where can an electronic copy of the June 2005 Delta Region Drinking Water Quality Management Plan be found?*

Response: An electronic copy of the June 2005 Delta Region Drinking Water Quality Management Plan was posted on the Bay-Delta Proposition 84 website on May 5, 2008.

21. *(M. Madison, COSMUD & W. Bishop, CCWD) We request that the entire \$50,950,000 less no more than 5% administrative costs be made available for the Group I – Delta Region Projects (\$48,402,500).*

Response: See response to Comment No. 14.

22. *(Martin Burger, UCD) What are the number of projects within each area that will be considered for funding? Will smaller projects be funded?*

Response: The number of projects to be considered for funding is undetermined with the exception of projects as defined in PRC § 75029 (d). DWR's program intent is to fund as many eligible projects as possible with the goal of maximizing the distribution of funds.

23. *(Dale Garrison, UD Fish & Wildlife Service) Will the lands immediately adjacent to Salt and Mud Slough fall into Group II or IV?*

Response: Potential eligible projects associated with these lands could fall into either Group II if addressing surface drainage discharges or Group IV if addressing subsurface drainage discharges.

24. *(Peter Jacobsen, MWD) Into which group will the additional \$10 million available this fiscal year fall into? What is the timeline for this money?*

Response: Total fiscal year 2008/2009 proposed funding is \$50.9 million including \$45 million for Group IV projects (PRC § 75029 (d)) and \$5.9 million for potential unspecified priority project(s) from one of the other project groups. These funding amounts are total funds prior to accounting for bond administration and issuance costs of approximately \$4.07 million.

25. *(Chris Linneman, Summers Engineering) The Water Authority is a joint powers agency made up of member agencies who receive Central Valley Project water for irrigation and M&I purposes, including most of the west side of the San Joaquin Valley. In specific, the Water Authority is the umbrella agency for the Grassland Drainage Area – a group of seven water and drainage districts that discharge sub-surface drainage through the Grassland Bypass Project. The Grassland Drainage Area is the largest discharger of subsurface drain water on the Westside and, although it is made up of several agencies, our preference would be to combine a group of projects under a single application. By doing this, administration and reporting tasks could be streamlined and efficient use of resources would be maximized. Ideally, the per-project funding cap should be eliminated altogether, allowing any given application to be funded according to the merits of its project(s). However, if a cap is required, we suggest that it be set to \$15 million, so that integrated project groups can be properly funded.*

Response: A group of projects will be considered for funding under a single grant if all requirements of Section III. Eligibility Requirements and Section VI. Grant Agreements are met. Special attention is directed to the requirements of Section III.A. Eligible Grant

Recipients and to Section VI.A Funding and Grant Agreements. The applicable per project maximum cap, as listed in Section II.C, could be combined for the group of projects but will be subject to the total program funding limitations as listed in Section II.B.

26. *(Crys Leininger, Ducks Unlimited) Will phased projects be considered? If the first phase is funded, will future phases also be considered for funding (considering funding caps)?*

Response: Phased projects will be considered but the proponent must demonstrate that the objectives of PRC § 75029 will be achieved, including the design and implementation phases.

27. *(Leslie Laudon, SWRCB) Section 75029 states that the Department shall require a cost share from local agencies. This implies the source of the cost share should be local resources. Why are state and federal funds allowed for cost share?*

Response: There is no language in PRC Section 1: Division 43 that calls out that state and federal funds are not allowed for cost share. Considering that the legislation for other propositions expressly stated that state and federal fund were not allowed, this absence would imply consent.

28. *(Chris Hildebrandt, Ducks Unlimited) Are other sources of the cost share allowed (e.g. federal)?*

Response: Federal funds will be allowed as a source of cost share.

29. *(Scott Lower, Grassland Water District) Who sets the cost share and how is it determined? When will it be set?*

Response: DWR will determine the cost share percentage required for all projects. Cost share percentages but will be detailed in each PSP.

30. *(Chris Hildebrandt, Ducks Unlimited) Can prior projects be included as a portion of the local cost share for a new project?*

Response: No. Costs that will be included as a cost share must be from the same project as the one being funded.

31. *(Cathryn Lawrence, UCD) Will university salaries be considered as part of the local cost share? Will in-kind services be considered as part of the cost share? University salaries were not allowed as part of the cost share in other grant programs administered by the SWRCB.*

Response: University salaries that are reasonable and appropriate may be considered part of the local cost share upon review. These salaries must be directly related to the grant

project and must be verified with documentation. Reasonable and appropriate in-kind cost share may be acceptable upon review.

32. *(John Brodie, San Joaquin County RCD) Can the cost share be in-kind or must it be cash?*

Response: Reasonable and appropriate in-kind cost share may be acceptable upon review. Cost share can either be in-kind or cash.

33. *(Maria Hinsey, San Joaquin County Public Works Department) Can in-kind services like labor be included in the local cost share?*

Response: See response to Comment No. 31.

34. *(Leslie Laudon, SWRCB) The first identified preference is for improvement of water supply reliability. However, there is no mention of water supply reliability in the Bond language (Section 75029). Why is this a priority for this program?*

Response: Water supply reliability is a Program Preference whereas water quality improvement is an Eligibility Requirement. Projects which demonstrate benefits to water supply reliability will be given program preference.

35. *(Pam Buford, CVRWQCB) Projects that can provide significant measurable long-term benefits over a large geographic area (such as the Delta pump project mentioned at the Sacramento workshop on 4/24/08) should be preferred over projects with only localized or short-term benefits.*

Response: All eligible projects in a given group (I-IV) will be evaluated and scored based on overall project benefits. Those projects providing more significant long-term benefits will be expected to receive a higher score and rank.

36. *(Jose Ramirez, Sacramento Regional County Sanitation District) Can DWR provide a list of project types that will be considered eligible for grant funding?*

Response: The list of eligible project types are those projects described on page 1 of the draft guidelines, Section II. Introduction and Overview.

37. *(Unknown) What is the implementation timeline?*

Response: The grant program is planned to be implemented over a five year period and to include four or more proposal solicitation phases, one for each project group as described on page 4 of the draft guidelines, Section II.B. Funding. Each solicitation phase is planned to occur with a related fiscal year appropriation. All appropriations are subject to budget approval by the legislature and the implementation schedule may require extension.

38. *(Cathryn Lawrence, UCD) Can management type BMP's be funded through the grant program?*

Response: Yes. Under program preferences in the guidelines, the definition of implementation states that "Implementation includes construction, installation, and can include a procedure/practice that results in a water quality improvement."

39. *(Martin Burger, UCD) Can a research project be eligible for grant funding?*

Response: Yes, a research project would be eligible for grant funding if it can be considered necessary for the successful design, selection, and implementation of the projects authorized under the program. If the research is not considered necessary as defined above then it could be considered for funding but at a lower priority as defined in Section II. E. Program Preferences.

40. *(Chris Linneman, Summers Engineering) The Draft Guidelines (page 5, Section F) state that for projects to be eligible for funding, they need to "improve water quality in the legal Delta, the San Joaquin River and tributary watershed downstream of Lander Avenue and major dams...". This implies that projects need to improve water quality in the San Joaquin River downstream of Lander Avenue. On page 6, Section B, it states that projects must be "located geographically within the ... San Joaquin River and tributary watershed downstream of Lander Avenue". These two statements are potentially in conflict with one another. Projects within the Grassland Drainage Area and the Mud/Salt Slough watersheds are not geographically located downstream of Lander Avenue, but will have a significant impact on the San Joaquin River in that region. We suggest that Section B be reworded to allow for projects outside of that location provided that they have the appropriate impact.*

Response: We have modified the description under Geographic Scope (Page 6, Section F). Projects involving the San Joaquin tributaries Mud and Salt Slough are eligible for funding from this grant program. An eligible project area map has been added into the guidelines under the Geographic Scope Section. On page 9, Section C. Eligibility Criteria has also been changed to reference the updated description on page 6.

41. *(Daniel Fisher, RD 784) Can the project area map be posted on the web site?*

Response: Yes, the project area map will be posted on the Bay-Delta Office Proposition 84 web site. A project area map has been inserted in the guidelines under the Geographic Scope section.

42. *(Cindy Lashbrook, East Merced RCD) Are projects on the Merced River all the way up to the dam eligible for funding?*

Response: Yes, projects on the Merced River, as a tributary to the San Joaquin River, are eligible for funding, as long as they will reduce or eliminate measurable discharges of pollutants into the river.

43. *(Genevieve Preston-Chavez) I am looking at applying for Prop 84 monies to help with storm drains for the City of Rialto. Does this apply to our region? The grant appears to cover Sacramento, San Joaquin and the Delta. Is anywhere else included?*

Response: The City of Rialto is too far south to qualify for the Bay-Delta Office's Proposition 84 grant funding. This grant program states that funds will be available for eligible projects that improve water quality in the legal Delta, the San Joaquin River and tributary watershed downstream of major dams, and the Sacramento River and tributary watershed downstream of major dams.

44. *(Owen Kubit, Provost & Pritchard Engineering Group, Inc.) It is not clear from the Public Draft Guidelines for the Water Quality Grants (Prop 84) if the Central Valley Westside Grants only pertain to areas downstream of Landers Avenue, or if it includes other areas south of Landers Avenue, such as Westlands Water District, that also have drainage problems, and whose water can, on some occasions, reach the San Joaquin River.*

Response: The eligible geographic area has been expanded to include discharges from Salt and Mud Sloughs, both tributaries of the San Joaquin River. We are aware that occasionally, floodflows from Panoche Creek, coming off Westland Water District lands may reach the San Joaquin River. However, funding for flood control projects are not within the scope of work of this particular section of Proposition 84 (Chapter 2). Chapter 3 relates to flood control, these grant programs can be found under DWR's grants and loans web site. PRC § 75029 requires that funds be available for eligible projects that improve water quality in the Delta, the San Joaquin River, and the Sacramento River. The geographic area for eligible projects will be limited to the legal Delta, the San Joaquin River watershed area downstream of major dams, and the Sacramento River watershed area downstream of major dams.

45. *(Nigel Quinn, US Bureau of Reclamation) The upstream site in the San Joaquin at Lander Ave - otherwise known as Hwy 165. You might want to reconsider this upstream site if restoration of the San Joaquin River becomes a reality - Lander Avenue will no longer be the River's upstream boundary. If anything the reach between Mendota Pool and Lander Avenue is almost entirely ungaged (for many years it has seen little or no flow) - we know very little about potential salt and contaminant export to the River in this long reach.*

Response: See response to Comment No. 44.

46. *(Leslie Laudon, SWRCB) There is no mention of "watersheds downstream of Landers Avenue" in Section 75029. Please explain why this is significant and necessary. Also describe these locations in terms of which waterbodies are tributary to the Delta and whether or not all the tributaries are eligible for funding.*

Response: Watersheds upstream of Lander Avenue were excluded based on historic low summer flows and expected minimal benefits that could be realized from a potential project. Due to a number of comments about the merits of considering projects as far south as the Mendota Pool this limitation has been removed. The text on page 6, Section II.F. Geographic Scope, has been revised (see response to Comment No. 44).

47. *(Leslie Laudon, SWRCB) Key proposal information should include the anticipated water quality benefit that the project will achieve.*

Response: The text of Section II. G. Proposal Solicitation, has been revised to include the following bullet: The anticipated type and magnitude of water quality benefits to be achieved.

48. *(M. Madison, COSMUD & W. Bishop, CCWD) CCWD and COSMUD request that DWR proceed with funding Group I projects as a directed action. However, if a directed action is determined to be unfeasible, then we request a modified, expedited process separate from the remainder of the proposed guidelines.*

Response: DWR has determined that a directed action or expenditure is not appropriate for grant funded programs. However, DWR recognizes the unique situation for the Group I projects in § 75029 (d) since they are detailed in the Delta Region Drinking Water Quality Management Plan. Group I projects will have a modified PSP with a reduced amount of criteria that will allow for an expedited review process.

49. *(John Brodie, San Joaquin County RCD) Will resource conservation districts be eligible for funding?*

Response: Yes, resource conservation districts are considered a local agency and will be eligible for funding.

50. *(Karrie Thomas, CAFF) Are universities able to apply for grant funding?*

Response: Universities may collaborate with a local agency and perform work with the grant funds so long as the local agency is designated as the responsible entity and controls all activities related to the grant.

51. *(Bill Muellenhoff, Shaw E & I) Considering that the local agency must be the lead, will other agencies, specifically federal agencies, collaborate with the local agency?*

Response: Yes, federal agencies may collaborate with local agencies, as long as the local agency remains the lead agency and controls all activities associated with the grant.

52. *(Cathryn Lawrence, UCD) Can local agencies use for-profit organizations in the collaboration and development of projects? For-profit consultants have collaborated with the UC system in the past to bring expertise to the project.*

Response: Yes, for-profit organizations can be used in the collaboration and development of projects as long as costs are considered reasonable upon review.

53. *(Daniel Fisher, RD 784) Can the local agency use for-profit consulting firms for project development and design? Our reclamation district does not have staff for this purpose.*

Response: See response to Comment No. 52.

54. *(Leslie Laudon, SWRCB) An additional eligibility criterion should be added. The project must improve Delta Water Quality to protect drinking water supplies.*

Response: The eligibility criteria are presented as defined in PRC § 75029. The eligible proposal/project types, as described on page 8, Section B, further define eligibility in terms of applicable water quality criteria. By reference, the uniquely applicable water quality criteria are defined on page 1, Section II of the guidelines.

55. *(Pam Buford, CVRWQCB) The geographic description should be clarified so that the Westside areas draining to the San Joaquin River are included (Grasslands drainage area, Grasslands refuges.)*

Response: See response to Comment No. 44.

56. *(Leslie Laudon, SWRCB) It says that "Eligible proposal/project types are those as set forth in Section II of these guidelines. Section II presents four (4) proposal/project types...". However, there are not four defined eligible project types in the previous text of Section II. Is this referring to the 5 bullets in Section II on page 1? The only set of four topics listed under Section B. Funding is Groups 1-4. This needs to be clarified.*

Response: The text on page 8, Section III.B Eligible Proposal/Project Types has been revised to read "...presents five (5) proposal/project types..."

57. *(Jose Ramirez, Sacramento Regional County Sanitation District) Do projects need to have an adopted CEQA document prior to funding?*

Response: Adoption of the relevant CEQA documentation for a proposed project is not required prior to funding.

58. *(Will Stringfellow, UOP) What is the expected schedule for the release of the PSPs? When will a full proposal be due?*

Response: See response to Comment No. 37.

59. *(Karrie Thomas, CAFF) What is the timeline for the release of the other PSPs?*

Response: See response to Comment No. 37.

60. *(Jim Markle) How long will it take from the PSP being issued to actual grant funding?*

Response: A grant award could be made within one year of issuance of a PSP and acceptance or eligible projects. However, all funding is subject to approval in each of the governor's budgets.

61. *(Pam Buford, CVWRQCB) When PSPS are issued and funded, will all funds be liquidated within the group on the given PSP? How will the remaining funds be used if the group is not fully funded?*

Response: All funds related to a given PSP phase will be obligated to the maximum extent possible. If not all funds for a given group can be obligated, then one or more PSP phases may be anticipated. These additional phases will depend on the amount of unobligated funds, program priorities, and if new recommended eligible projects are identified.

62. *(John Brodie, San Joaquin County RCD) Are you planning a maximum page number for packets? How will those limits be determined? What will/won't be part of those page limits?*

Response: No maximum page number limitations are planned. All proponents will be encouraged to limit their document submission to only essential and relevant information. A font point type will be specified. Additionally, a maximum file size will be specified for all electronic submissions.

63. *(Ken Coulter, SWRCB) Will DWR be utilizing a concept proposal phase?*

Response: DWR will not be using a concept proposal phase.

64. *(Pam Buford, CVWRQCB) The "other agencies" should be identified that will participate in the group of technical reviewers and that the Water Boards staff participate in the technical reviews.*

Response: The guidelines have been modified to specifically identify that the Regional Water Quality Control Board and State Water Resources Control Board are planned to participate in the technical review process.

65. *(Leslie Laudon, SWQCB) Water Boards staff should participate in the technical review and selection panel.*

Response: See response to Comment No. 64.

66. *(Crys Leininger, Ducks Unlimited) Will there be State Board or Regional Water Quality Control Board staff on the selection committee? Will staff be from the water quality or water rights sections? Will you include members from the CalFed science board? How*

many people will be on the selection panel? Will the public be allowed to weigh in on the members on the panel?

Response: See response to Comment No. 64. Staff from the CALFED science board will also be included on the review committee. Panel selection will be determined by the Department of Water Resources with input from each of the agencies.

67. *(Chris Linneman, Summers Engineering) What would be the length (term) of a contract?*

Response: A typical contract would run for two to three years.

68. *(Chris Linneman, Summers Engineering) The last few rounds of grant contract into which we have entered have placed significant liability on the grantee. We recognize that DWR has an obligation to protect itself as a public entity, as well as public funds. However, the Water Authority and its agencies are also public entities and there are limits to the amount of contract liability they can assume. We would like the opportunity to review and comment on the draft grant contract before it is finalized.*

Response: Your attention is directed to the State of California Department of General Services web site to obtain and review current general terms and conditions regarding indemnification that should be anticipated. The web site link is:
<http://www.ols.dgs.ca.gov/Standard%20Language/default.htm>

Regarding review of a grant agreement, once a grant award is made a grantee will be provided a draft agreement for review and comment prior to completing final approvals.

69. *(Scott Lower, Grassland Water District) Can a portion of grant funding be spent on administrative costs and if so, what percentage?*

Response: Not more than 5 percent of the funds allocated to any project may be used to pay the costs related to contract administration. This stipulation is stated in Section VIA. Funding and Grant Agreements.

70. *(Crys Leininger, Ducks Unlimited) Do indirect costs fall within the 5 percent administrative cost cap? How will indirect costs be accounted for? Are indirect costs included with the State's administrative costs? Can overhead costs be included?*

Response: Reasonable administrative expenses may be included as project costs and will depend on the complexity of the project preparation, planning, coordination, construction, acquisitions, implementation and maintenance. Reimbursable administrative expenses are the necessary costs incidentally but directly related to the project including an appropriate pro-rata allocation of overhead and administrative expenses that are regularly assigned to all such projects in accordance with the standard accounting practices of the grantees.

71. *(M. Madison, COSMUD & W. Bishop, CCWD) The intake projects are high priority projects for CCWD and COSMUD. Both parties request that DWR allow backdating the effective date of the grant agreement and/or allowing for the reimbursement of construction expenditures incurred prior to the effective date of the grant agreement to avoid delays to the projects.*

Response: DWR will neither backdate grant agreements nor allow for the reimbursement of construction expenditures incurred prior to the effective date of the grant agreement. DWR's position is supported by a Department of Justice letter from the Attorney General dated May 20, 2008. This letter states, "Our office takes the position that, absent judicially cognizable evidence to the contrary, the voters intend that new indebtedness pay for new benefits. Neither the text of Proposition 84 nor the voter materials we examined evidence any intent that bond proceeds pay costs that have already been incurred or financed." DWR will allow for the reimbursement of costs from the date of the funding award letter prepared by DWR.

72. *(Pam Buford, CVRWQCB) Is there specific language in the bond that prohibits reimbursement of operation and performance monitoring costs for water quality improvement projects during the term of the grant agreement? If operation and monitoring costs cannot be reimbursed will they be allowable as matching funds? Clarification on what types of match funds are allowed should be included in guidelines or PSP. Would encourage the awarding of extra points or preference to projects that have robust monitoring plans, particularly if the monitoring has multiple benefits.*

Response: Non-reimbursable costs are defined in Section VI. B. Reimbursement of Costs of the draft guidelines and include operation and maintenance costs. The terminology for this grant program does not include "matching funds" but does include "cost share". Eligible cost share types include all reasonable costs, both direct and indirect, for labor, materials, supplies, and equipment required to plan, design, and implement a grant project. These costs can be "in-kind" where the project proponent provides non-contract services or goods through internal sources or through direct external expenditures.

73. *(John Brodie, San Joaquin County RCD) The released guidelines say O & M costs, including post-construction project performance and monitoring are ineligible. What about project performance and monitoring during the project? (or as match?) If the answer is no, how will you determine that an implementation project is successful or does what it says it will do?*

Response: Project performance and monitoring costs incurred during the execution and before final acceptance of completion by DWR will be eligible costs. These costs may be included as an element of a project proponent's cost share.

74. *(Nigel Quinn, US Bureau of Reclamation) Although it makes sense that Proposition 84 funds not be used to substitute for already established projects or programs - I would hope that this would not discourage entities from looking for funds to support continued*

monitoring at important sites whose funding had terminated or where it was imminent. Continuing the monitoring at established stations is not only cost-effective but also provides continuity of the data record at an individual site. There are a large number of key San Joaquin Basin watershed sites supported by the Stockton DO TMDL that have been monitored over the past 4 years that will likely be mothballed if a mechanism to keep them operating cannot be found.

Response: See response for Comment No. 5.

75. *(Pam Buford, CVRWQCB) Would recommend DWR maintain the right of inspection of a grant funded project anytime throughout the term of the grant agreement.*

Response: Yes, the guidelines have been amended to specify that DWR will maintain the right of inspection throughout the term of the grant agreement.

76. *(John Brodie, San Joaquin County RCD) Will all invoices and progress reports be sent to DWR or the RWQCB?*

Response: All invoices and progress reports will be sent to DWR, not the Central Valley Regional Water Quality Control Board or the State Water Resources Control Board.

77. *(John Brodie, San Joaquin County RCD) Why require a separate report for each milestone in addition to regular reporting?*

Response: The requirement for a separate report for each milestone has been deleted from the guidelines.

78. *(John Brodie, San Joaquin County RCD) Under scientific and technical merit of proposal contents, it calls for a brief summary of information in each reference. Is that for each different reference cited in the proposal?*

Response: Each reference is to be described in a brief summary. The summary will provide the proposal reviewers a clear understanding of the reference source, the general content, and the relevance to the proposed project.

79. *(Pam Buford, CVRWQCB) Guidelines should include requirement of PRC section 75072 that water quality monitoring shall be integrated into the Surface Water Ambient Monitoring Program administered by the State Water Board. To be consistent with other grant funded programs would suggest that projects monitoring groundwater quality be required to integrate data into the Groundwater Ambient Monitoring Program also administered by the State Water Board.*

Response: The guidelines have been changed to include the requirements of PRC § 75072, that water quality monitoring shall be integrated into the Surface Water Ambient Monitoring Program administered by the State Water Board.

80. *(Leslie Laudon, SWRCB) Proposition 84 (PRC Section 75072) requires that water quality monitoring associated with projects must be integrated into the Surface Water Ambient Monitoring Program (SWAMP) administered by the State Water Board. This should be mentioned in this Section of the Guidelines because there are specific quality assurance/quality control and data management requirements associated with SWAMP. Applicants for funding must be aware of and plan for these requirements.*

Response: See response to Comment No. 79.

81. *(Nigel Quinn, US Bureau of Reclamation) Although the guidelines ask that an explanation be provided as to how data collected at monitoring stations will be used and asks that the stations be identified, there is no stated requirement for data quality assurance nor any plan required for long-term data management, data storage and data dissemination. In my experience the data management aspect of environmental monitoring is commonly overlooked and invariably underfunded. Although the SWAMP program has attempted to get data providers to pay more attention to data quality assurance - the goals of this program have not been fully realized. If the SWAMP program continues - providing data to this entity following SWAMP guidelines might be might be a useful additional requirement.*

Response: See response to Comment No. 79.

82. *(Pam Buford, CVRWQCB) Scoring should favor the following:*

- ☐ *Projects with demonstrable long-term benefits*
- ☐ *Projects with robust monitoring programs*
- ☐ *Projects that can demonstrate benefits will extend beyond the project area (e.g. Delta projects providing measurable benefits to SWP/CVP users)*
- ☐ *Projects that contribute significantly to a more comprehensive water quality protection plan (e.g. CV-Salts)*
- ☐ *After accomplishing projects goals, projects that make it easier for future projects to maintain or improve water quality (e.g. a regional monitoring network)*

Response: In regards to bullets number one and three, the long-term and regional benefits of projects will be rated using Criteria B-12, Impacts & Benefits. Projects with robust monitoring programs will be rated under Criteria B-9 Monitoring, Assessment, and Performance Measures. In regards to bullet four, salinity projects that participate in the CV-SALTS program will receive credit under C. Programmatic Adequacy. See response to Comment No. 6. As far as a regional monitoring program, please refer to the limitations as described in the response to Comment No. 5.